

Legislative Fiscal Bureau

Fiscal Note

SF 380 – REAP Plate Fees (LSB 2098 SV)

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Fiscal Note Version – New

Description

Senate File 380 increases the fees for the initial issuance of special natural resources license plates from \$35 to \$45. The Bill also increases renewal fees for the plates from \$10 to \$25. Revenues collected from the fee increases will be transferred from the Iowa Resources Enhancement and Protection (REAP) Fund to the Department of Natural Resources (DNR) Wildlife Bureau to be used for nongame wildlife programs.

Assumptions

1. The number of new natural resources license plates issued annually is unknown.
2. There are approximately 52,000 renewals issued annually, of which approximately 50,000 are for nonpersonalized plates and 2,000 for personalized plates.
3. Under current law, approximately \$520,000 is credited annually to the REAP Fund from fees collected for renewal of natural resources plates. Of that amount, approximately \$500,000 is generated from nonpersonalized plates and \$20,000 from personalized plates.
4. Under SF 380, an estimated additional \$780,000 will be credited annually to the REAP Fund from fees collected for renewals. Of that amount, approximately \$750,000 will be generated from nonpersonalized plates and \$30,000 from personalized plates.
5. Under the proposed law, the additional fees collected from the natural resources plates will be used to match federal funds allocated to the DNR for nongame wildlife programs.
6. The DNR is eligible to receive an estimated \$2.3 million in federal funds as follows:
 - FFY 2001: \$609,000
 - FFY 2002: \$976,000
 - FFY 2003: \$732,000
7. Prior to receiving the federal funds, the DNR is required to provide the following match for each year the funds are allocated. The total match for FFY 2001 through FFY 2003 is approximately \$1.9 million:

Federal Fiscal Year	Required State Match	
	Percentage	Dollars
2001	25.0%	\$ 152,000
2002	100.0%	976,000
2003	100.0%	732,000
Total		<u>\$ 1,860,000</u>

8. Of the total \$1.9 million required State match, the DNR has provided \$683,000 to date, which was borrowed from the Fish and Wildlife Trust Fund. The DNR expects to collect approximately \$534,000 from private donations and other grants, and will use that money to help repay the \$683,000 borrowed from the Trust Fund. The remaining \$149,000 represents a loss to the Trust Fund.
9. The remaining moneys that the DNR is required to match in order to receive the full allotment of federal funds is approximately \$1.2 million as follows:
 - \$100,000 for FFY 2001

- \$384,000 for FFY 2002
 - \$732,000 for FFY 2003
10. The federal funds are allocated on a per project basis. Once a project is approved and funds are expended, the DNR requests federal reimbursement for that specific project, to the federal match limit allowed by the grant. To date, the DNR borrows the remaining balance from the Fish and Wildlife Trust Fund.
 11. In addition to providing the \$1.2 million match, the DNR intends to repay the \$149,000 lost from the Fish and Wildlife Trust Fund.
 12. It is unknown if the DNR will receive additional private donations to assist in meeting the match dollars.
 13. The DNR does not intend to borrow additional moneys from the Fish and Wildlife Trust Fund, unless other sources of matching money are assured.

Fiscal Impact

The estimated fiscal impact of SF 380 to the Department of Natural Resources cannot be determined, as it is unknown how many new natural resources plates will be sold annually. The following is an example of the amount of revenue that would be generated based on the sale of 52,000 license plate renewals:

Revenues Credited to the REAP Fund from the Renewal of Natural Resources Plates

	Current Law	Proposed Law	Difference
Nonpersonalized Plates (50,000)	\$ 500,000	\$ 1,250,000	\$ 750,000
Personalized Plates (2,000)	20,000	50,000	30,000
Total	<u>\$ 520,000</u>	<u>\$ 1,300,000</u>	<u>\$ 780,000</u>

* Additional revenues collected will be credited to the REAP Fund and transferred to the Wildlife Bureau of the Department of Natural Resources.

The DNR will use the additional revenues collected under SF 380 to assist in providing a State match of \$1.2 million. The match is a requirement for the DNR to receive \$1.2 million in federal funds for FFY 2001 through FFY 2003 for nongame wildlife programs.

To receive the full allotment of FFY 2001 and FFY 2002 federal funds, the DNR must provide a match of approximately \$484,000 by October 1, 2003. To receive the full allotment of FFY 2003 federal funds, the DNR must provide a match of approximately \$732,000 by October 1, 2004.

The additional revenues collected under SF 380 will also be used to assist in repaying the \$149,000 remaining loan balance from the Fish and Wildlife Trust Fund of the Department of Natural Resources.

Sources

Department of Transportation
Department of Natural Resources

/s/ Dennis C Prouty

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.
